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TARIFF AUTHORITY FOR MAJOR PORTS

G.No. 250

New Delhi,

3 July 2018

NOTIFICATION

In exercise of the powers conferred under Section 48 of the Major Port Trusts Act, 1963 (38 of 1963), the Tariff Authority for Major Ports hereby disposes of the proposal received from Chennai Port Trust (CHPT) for fixation of charges for use of Electronic In-motion Rail Weighbridge (EIMRWB) inside Chennai Port Trust and incorporation of charges in the existing Scale of Rates (SOR) of CHPT.

(T.S. Balasubramanian)

Member (Finance)

Tariff Authority for Major Ports
Case No. TAMP/21/2018-CHPT

The Chennai Port Trust

- - -

Applicant

QUORUM

- (i). Shri. T.S. Balasubramanian, Member (Finance)
- (ii). Shri. Rajat Sachar, Member (Economic)

ORDER

(Passed on this 8th day of June 2018)

This case relates to a proposal dated 16 March 2018 received from Chennai Port Trust (CHPT) for fixation of charges for use of Electronic In-motion Rail Weighbridge (EIMRWB) inside Chennai Port Trust and incorporation of charges in the existing Scale of Rates (SOR) of CHPT.

2.1. This Authority passed an Order No.TAMP/22/2016-CHPT dated 17 September 2016, approving the revised Scale of Rates and Performance Standards on the proposal received from the CHPT for general revision of its Scale of Rates (SOR)

2.2. The revised Scale of Rates alongwith Performance Standards approved by this Authority was notified vide Gazette No. 371 dated 10 October 2016 which was communicated to the CHPT and concerned users / user organisations vide our letter dated 13 October 2016.

3.1. Now, the CHPT vide its letter No. AO(SOR)/2725/2017/F dated 16 March 2018 has proposed for fixation of charges for use of Electronic In-motion Rail Weighbridge (EIMRWB) inside Chennai Port Trust. The main points of the proposal are summarized below :

- (i). Chennai Port has installed Electronic In-motion Rail Weighbridge (EIMRWB) inside the Port premises based on the requirement from the trade / Railways. The existing Scale of rates of Chennai Port approved by TAMP vide Order No. TAMP/22/2016-CHPT dated 17.09.2016 and implemented from 09.11.2016 does not contain charges for Rail Weigh Bridge. It is, therefore, proposed to fix the charges for use of EIMRWB installed at Chennai Port, in the Scale of Rates of CHPT, in accordance with the provision of Tariff Policy 2015 and TAMP Working Guidelines 2015.
- (ii). As per clause 5.7.1. of the TAMP Working Guidelines 2015, whenever a specific tariff for a service / cargo is not available in the SoR, of that particular Port, the concerned Major Port Trust can approach TAMP for notification of tariff for the said new cargo / equipment / service adopting the tariff and performance standards, if any, fixed for comparable cargo / equipment / service in any other Major Port Trust.
- (iii). If there is no rate available in any other Major Port Trust or if the rate available is not representative enough of the proposed new cargo/ service/ facility, then the port may file the proposal for notification of tariff for the said new cargo / equipment / service with reference to optimal capacity assessed following the principles of 2008 guidelines or based on rated capacity or technical specification of service / facility / equipment. If determination of tariff based on the above prescribed options is not possible, then the Major Port Trusts after giving sufficient reasons may propose rates based on Cost plus 16% return formula.
- (iv). In this connection, it is ascertained from the Scale of Rates of Major Port Trusts that TAMP approved rates for railway in motion weigh bridge services are available in Visakhapatnam Port Trust and Kolkata Port Trust. The rates in these Ports are given below:

Sr. No.	Name of the Port	Description	Rates
1.	Visakhapatnam Port Trust	Weighment charges for use of 100 tonne capacity pit less in motion weigh bridge	₹12.50 per wagon of 8 wheels
2.	Kolkata Port Trust	Ports rail weighbridge weighment charge includes issuance of weighment certificates	₹5.44 per ton subject to a minimum of ₹100 for an empty wagon and ₹.200 for loaded wagon

- (v). On perusal of the above, it is observed that the charge at VPT is very low, while the charges at KOPT is on the higher side. Further, as EIMRWB is a stand-alone facility, the norms fixed in Upfront Tariff Guidelines 2008 in respect of Terminals for assessing optimal capacity, operating cost, etc, is not found appropriate in this case. Hence, tariff has been worked out adopting the cost plus 16% Return formula, which works out to ₹110 per wagon for loaded wagon. For empty wagon, it is proposed to fix the charges at 50% of the loaded wagon i.e. ₹55/- per wagon
- (vi). The Cost Statement furnished by CHPT for arriving the rate is based on Cost plus 16% Return formula, as given below:

Sr. No.	Description	Amount (₹.)	Remarks
I.	Capital Cost		
(i).	Equipment Cost including GST	1667340	Copy of Work Order attached
(ii).	Project Management Consultancy @ 9% paid to RITES	150061	
	Total Capital Cost	1817401	
II.	Operating Cost		
(i).	Power Cost (27 units per day x 365 days x ₹. 9.77 per unit)	96,283	Copy of Electricity bill attached
(ii).	Insurance 1 % of Capital Cost – ₹. 1817401	18,174	Estimated as per norms
(iii).	Weighbridge Testing Charges (Twice a year - ₹.2.50 lakhs x 2 times)	5,00,000	Copy of Southern Railway letter is attached
(iv).	Annual Maintenance Charges (Estimated ₹. 13.46 for six years / 6)	2,24,333	Copy of Estimate by M/S.RITES is attached
(v).	Employee Cost (1/3 rd Cost of 8 staff posted - ₹. 67,72,894/3)	22,57,631	The employee cost has been considered as 1/3 of the salary payable to them taking into account the time devoted by them for Railway weigh bridge facility details attached.
	Sub-total	30,96,421	
(vi).	Management & General Overheads @ 25% of Direct Cost (₹.3096421 x 25/100)	7,74,105	As per Tariff Policy 2015
(vii).	Depreciation @ 13.91% p.a. on Capital Cost (₹. 1817401 x 13.91%)	2,52,800	As per Companies Act, 2013

	Total Operating Cost	41,23,326	
III.	Return on Capital Employed @ 16% (Average written down value for three years – ₹. 1311801 x 16%)	2,09,888	
IV.	Revenue Requirement (II + III)	43,33,214	
V.	No. of wagons (671 rakes per years x 59 wagons per rake)	39589	No. of dry bulk cargo rakes handled during the year 2016-17.
Vi.	Weighment Charges per Wagon (IV/ V) Rounded off	109.45 ₹. 110	

- (vii). The proposal has been placed before the Board in its Meeting held on 30 January 2018 and the Board resolved to ratify the charges levied of weighment at Electronic In-motion Rail Weigh Bridge (EIMRWD) @ ₹110/- per loaded wagon and ₹55/- per empty wagon on adhoc basis retrospectively with effect from 18.08.2017 and to seek the approval of TAMP and notification of above rates. A copy of the Board Resolution No. 87 dated 30 January 2018 have been furnished.
- (viii). As per clause 5.7.4 of TAMP Working Guidelines 2015, the ad hoc rate to be operated and the Performance standards to be applied in the interim period must be based on the approach outlined in clause 5.7.1. of the Working Guidelines and it must be in consultation with the concerned users. Accordingly, consent letters / emails have been received from wagon users, viz. (i). M/s. A.S. Shipping Agencies Pvt. Ltd., (ii). M/s. Seacoast Logistic & Marine Infrastructure and (iii). M/s. Seagreen Stevedoring and Logistic Pvt. Ltd. A copy of each letter / email received from the above firms is furnished.
- (ix). It is proposed to include the charges for use of Electronic In-motion Rail Weighbridge (EIMRWB) as a new Schedule 5.2 under Section 5 - Miscellaneous charges. The relevant portion of the SoR (Section -5) after incorporating the proposed charges and re-numbering the schedules is furnished.

3.2. In view of the above, TAMP is, therefore, requested to process the proposal and accord its approval as follows :

- (i). Approve the charges for use of EIMRWB at Chennai Port at ₹110/- per loaded wagon and ₹55/- per empty wagon and to incorporate the same in the SoR of CHPT.
- (ii). Regularize the levy of above rates on ad hoc basis from 18 August 2017 till the date of effective implementation of rates to be approved by TAMP.

4. While acknowledging the proposal of CHPT, we have vide our letter dated 27 March 2018 requested CHPT to furnish additional information / clarification. The CHPT vide its letter No. AO(SOR)/2725/2017/F dated 02 May 2018 has responded. A summary of the additional information / clarification sought by us and the response of the CHPT thereon is tabulated below:

Sl. No.	Queries raised by TAMP	Reply to TAMP
(a)	Furnish detailed calculation of annual revenue estimates based on the proposed rates of the electronic weighbridge	As stipulated by the Railway Board, provision of electronic in-motion weigh bridge is mandatory in all private sidings having outward traffic for handling of bulk cargoes through wagons. Accordingly, the facility is availed only by the import bulk cargo dispatched through rail mode. During the year 2016-17, ChPT has handled a total of 671 outward rakes comprising of 39,400 wagons of bulk cargo. Based on the actual bulk

		cargo wagons handled during 2016-17, the estimated income for 39,400 loaded wagons works out to ₹.43,34,000/- p.a. No income is estimated from weightment of empty wagons, since weightment of empty wagons will be done only if required by Railways. Further, during the period from 18.8.2017 to 31.3.2018, 17810 loaded wagons have used rail weigh bridge facility and the actual income earned is ₹.19,59,100/-.												
(b)	Confirm that the additional revenue generated due to proposed incorporation of rates will be within the Annual Revenue Requirement as considered during the finalization of Scale of Rates of ChPT	In the general revision proposal submitted to TAMP (Form 1), the revenue at the proposed Scale of Rates was estimated at ₹.550.95 crores as against the Annual Revenue Requirement (ARR) (Form-1) of ₹.755.93 crores. The estimated additional income of around ₹.45 lakhs through EIMRWB is well within the ARR as per General revision proposal.												
(c)	The date of installation/ date of operation of Electronic In- Motion Rail Weighbridge, may be indicated	Installation, Stamping and certification by Legal Metrology Department of State Government with Southern Railway's test wagons were completed on 31.7.2017. EIMRWB was commissioned for operation to wagon users with effect from 18.8.2017 - 12.00 hrs onwards.												
(d)	Documentary evidence / justification with regard to considering 9% of Capital Cost towards Project Management Consultancy charges.	Provision of EIMRWB at CHPT has been carried out by M/s. Indian Port Rail Corporation Ltd. (IPRCL), a SPV created by MOS to undertake Port Rail Connectivity works and improve efficiency in rail evacuation at Ports, who is executing the work of development of common railway yard inside Chennai Port. As per agreement with M/s. IPRCL, Project Management Consultancy charges of 9% is payable to M/s. IPRCL on the completion cost of the project. As such the PMC @ 9% of capital cost payable to M/s. IPRCL is included in the capital on the cost of EIMRWB. [A copy each of the letter dated 16.1.2017 sent to M/s .IPRCL and Board Resolution No.52 dated 18.8.2017 are furnished as <u>Annex – (a) & (b) along with the CHPT letter</u>]												
(e)	In the calculation of power cost, the CHPT is seen to have considered power cost for 365 days in a year which leads to a utilization of weigh bridge at 100% capacity. The CHPT is requested to examine this aspect.	<p>As per the scope of work for EIMRWB, the electrical installations forming part of Railway Weigh Bridge facility and their connected load are given below:</p> <table border="0"> <tr> <td>1. Air Conditioner – 1 No.</td> <td>– 1750 Watts</td> </tr> <tr> <td>2. Computer with UPS 1 No. (Weighing Machine)</td> <td>– 1600 Watts</td> </tr> <tr> <td>3. Tube Light – 2 Nos. (2 x 50)</td> <td>– 100 Watts</td> </tr> <tr> <td>4. Fan – 1 No.</td> <td>– 80 Watts</td> </tr> <tr> <td>5. LED Bulbs – 2 Nos. (2 x 30)</td> <td>– 60 Watts</td> </tr> <tr> <td style="text-align: right;">Total</td> <td>– 3590 Watts</td> </tr> </table> <p>The copy of the work order issued by M/s. RITES to M/s. Pragati Instrumentation Pvt. Ltd. forwarded along with our proposal dated 16.3.2018, may be referred.</p> <p>All the above electrical installations are required for the functioning of Electronic in-motion Railway Weigh Bridge and considered to be direct cost.</p> <p>As per the meter reading, the actual no. of units consumed during the month of Oct'2017, is 810 units. Based on this, the average consumption per day has</p>	1. Air Conditioner – 1 No.	– 1750 Watts	2. Computer with UPS 1 No. (Weighing Machine)	– 1600 Watts	3. Tube Light – 2 Nos. (2 x 50)	– 100 Watts	4. Fan – 1 No.	– 80 Watts	5. LED Bulbs – 2 Nos. (2 x 30)	– 60 Watts	Total	– 3590 Watts
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		<p>been considered as 27 units. During this month 3547 wagons have been weighed in this weigh bridge.</p> <p>With regard to capacity utilization, it is stated that the Railway Weigh Bridge facility is available on 24 x 7 basis for 365 days. All the outward rakes handled by ChPT carrying bulk cargo will be using this facility. Hence, the capacity utilization of EIMRWB cannot be seen on a stand alone basis.</p>
(f)	The requirement of testing weighbridge twice in a year may be justified	Railway Board vide letter no.2004/Dev.Cell/DEI/3 Vol-II dt 27.11.2015 and CRSE/Freight & Southern Railway vide note No .M/M&P/347/WB Genl Vol.II dated 15.12.2015 has informed that, testing of Electronic in-motion weighbridge (railway owned as well as private owned) with test wagons is to be carried out at an interval of six months. [The Copies of the Railway Board letter are furnished as Annex – (c) & (d) along with the CHPT Letter].
(g)	The basis to consider deployment of 8 no. of AS and apportioning 1/3 salary for the weighment activity may be explained.	<p>Eight number of staff have been posted on 24X7 basis in 3 shifts for the Weighment activity apart from other routine work assigned to them.</p> <p>The duties and responsibilities of eight nos. of staff towards weighment activity is furnished below:-</p> <ul style="list-style-type: none"> ➤ Weighment staff should obtain rake particulars from the supervisory staff of marshalling yard. ➤ The wagon nos. with type of wagon should be fed into the system. ➤ Should ensure that the Weighment machine and the system are ready before Weighment. ➤ After Weighment if any excess is found, the excess weighed wagon should again be placed for load adjustment. ➤ After load adjustment, the wagon should be reweighed again to ascertain the correctness of the load. ➤ The wagon nos. and the weight has to be matched and the Weighment slip should be forwarded to booking section. ➤ In case the weighing machine is out of commission, it should be immediately reported to railway control and concerned officers of southern railway. <p>The above activities are inter-linked to the routine railway activity carried out by them like booking of indent in the POMS, incorporation of net weight in Railway Receipt (RR), generation of RR and collection of Freight, etc.</p> <p>In view of the above, 1/3rd of the salaries and wages cost of the 8 staff have been considered for Railway Weigh Bridge activity.</p>
4(h)	The Management & General Overheads @ 25% of direct cost considered by CHPT may be justified with reference to the actual overheads incurred / allocated during the past 7	The direct operating expenditure and Management & General overheads from August 2017 to March 2018 are ₹.140.50 cr. appx and ₹.173.22 cr. appx respectively. The Management & General overheads as a % of direct operating expenditure work out to 123.29%. However, as per Tariff Policy 2015 / TAMP

	months from August 2017 to March 2018.	Working Guidelines 2015, only 25% of direct operating expenditure has been considered as overheads for fixation of charges for EIMRWB.
4(i)	Basis for proposing a charge of ₹.55/- per empty wagon (@ 50% charge of loaded wagon) may be justified.	The charges proposed for using electronic in-motion weighbridge has been worked out as ₹.110/- per loaded wagon considering the cost of installation, test wagon charges, maintenance, electricity, depreciation & manpower involved. The charge of ₹.55/- per empty wagon has been proposed at 50% of the charges for loaded wagon. As per KoPT SoR, minimum charges for weighment in the rail weigh bridge is Rs.200/- per wagon for loaded wagon Rs.100/- per wagon for empty wagon. Applying the same analogy, Chennai Port has proposed charges for empty wagon at 50 % of charge of loaded wagon. It is further stated that weighment of empty wagon is not a routine activity and charge against empty wagon shall be levied only if the same is undertaken as per the Indian Railways requirement.

5. In accordance to the consultative procedure followed, a copy of the CHPT letter dated 16 March 2018 was forwarded to the relevant users/ user organisations for their comments. None of the users / users' organisations have given their comments except Chennai Port Stevedores Association (CPSA). The CPSA has stated that there are no adverse comments by its members on the proposal of CHPT in reference.

6. A joint hearing on the case in reference was held on 07 May 2018 at the premises of CHPT. At the joint hearing, CHPT and users/ user organisations have made their submissions.

7. The proceedings relating to consultation in this case are available on records at the office of this Authority. An excerpt of the arguments made by the CHPT and submissions of the concerned parties will be sent separately to the relevant parties. These details will also be made available at our website <http://tariffauthority.gov.in>.

8. With reference to totality of information collected during the processing of this case, the following position emerges:

- (i). CHPT has a Railway Terminal. The Indian Port Rail Corporation Limited (IPRCL), a SPV created by Ministry of Shipping (MoS), is executing the work of development of common railway yard inside Chennai Port. The RITES Ltd., a Government of India Enterprise, has awarded the work of supply, erection, commissioning of the Electronic In-Motion Railway Weigh Bridge (EIMRWB) including civil and electrical work with maintenance on behalf of the IPRCL to a private party apparently following the tendering process. The Southern Railway has indicated that provision of EIMRWB is essential for weighment of Railway Wagon for handling bulk cargo through wagons. Further, the CHPT is of the view that the issue of levy of punitive charges by the Railways on users for damages to wagon and tracks due to overloading has to be addressed. In this backdrop, the CHPT has installed Electronic In-motion Rail Weighbridge (EIMRWB) inside the Port premises based on the requirement reported to have come from the trade / Railways.
- (ii). Clause 5.7.1 of the working guidelines for determination of Tariff for Major Ports, 2015 (Working Guidelines 2015) read with the Clause 9.2 of the Tariff Policy 2015, stipulates that, whenever a specific tariff for a service/ cargo is not available in the SOR, of that particular port, the concerned Major Port Trust can approach TAMP for notification of tariff for the said new cargo/ equipment/ service adopting the tariff and performance standards if any fixed for comparable cargo/ equipment/ service in any other Major Port Trust. If there is no rate available in any other Major Port Trust or if the rate available is not representative enough of the proposed new cargo/ service/ facility, then the port may file the proposal for notification of tariff for the said new cargo/ equipment/ service with reference to optimal capacity assessed

following the principles of 2008 guidelines or based on rated capacity or technical specification of service/ facility/ equipment. If determination of tariff based on the above prescribed options is not possible, then the Major Port Trusts after giving sufficient reasons may propose rates based on Cost plus 16% return formula.

- (iii). The existing Scale of rates of Chennai Port approved by this Authority vide Order No. TAMP/22/2016-CHPT dated 17.09.2016 does not prescribe charges for Rail Weigh Bridge. Thus, the proposal to incorporate the charge for the use of EIMRWB installed at CHPT in its Scale of Rates is in accordance with the Clause 5.7.1 of the Working Guidelines 2015. The proposal of the CHPT has the approval of its Board of Trustees.
- (iv). In this connection, the CHPT has proposed a rate of ₹110/- per loaded wagon and ₹55/- per empty wagon. As brought out in the earlier part of the Order, the CHPT has furnished the workings in support of the proposed rate of ₹ 110/- per loaded wagon. Each of the cost component considered by the CHPT to arrive at the proposed rate is discussed in the subsequent paragraphs:

Capital Cost

- (a). The Capital Cost of ₹.18.17 lakhs considered towards installation of the EIMRWB in the port premises includes the cost of the equipment, project maintenance consultancy (PMC) charges @ 9% and 18% GST thereon. The CHPT has furnished the copy of the work order issued by RITES for supply, erection, testing and commissioning of pitless electronic in motion weigh bridge including civil and electrical works with maintenance for Indian Port Rail Corporation Limited (IPRCL) at CHPT as documentary evidence in support of the cost of equipment. As per the Agreement with IPRCL, PMC at 9% is payable to the IPRCL. The PMC charges @ 9% of the capital cost is supported by the CHPT Board resolution dated 18 August 2017. The submissions made by the port in this regard are relied upon.

Operating Cost

- (b). The Power consumption has been estimated at 27 units per day for 365 day per annum. On a specific query with regard to considering of 365 days in a year, which leads to 100% utilization of the equipment, the CHPT has clarified that the railway weigh bridge facility is available on 24 x 7 basis for 365 days and its average power consumption per day is arrived based on the actual consumption pattern during October 2017. The judgment of the port in this regard is relied upon. The CHPT has furnished the documentary support for the unit rate of power, which is considered.
- (c). The weigh bridge testing charges to be incurred twice in a year has been considered at ₹.500,000/- per annum as one of the cost components based on the bill raised by the Southern Railway for hire charges for test wagons. The Port has reported that the testing of Electronic-in-motion weighbridge (Railway owned as well as private owned) is to be carried out at an interval of six months as per the Railway Board and Southern Railway communications. The submission made by CHPT in this regard is relied upon.
- (d). The port has reported that the Annual Maintenance Charges (AMC) considered in the cost statement at ₹.2,24,333/- is based of the estimate given by the RITES. The documentary evidence furnished by CHPT in this regard shows that the AMC is the lowest of the three rates quoted by the parties.
- (e). Staff deployed at the Weigh Bridge on 24 x 7 basis will render weighment activity, apart from the routine railway activity like booking of indent in POMS,

incorporation of new weight in Railway Receipt (RR), generation of RR, collection of freight etc. As such, 1/3rd the cost of the salaries of the said staff has been apportioned for the weighment activity. Accordingly, the port has proposed 1/3rd of the salaries of the 8 persons in the cost estimate at ₹.22,57,631/- as the employee cost. The submission made by the port appears to be reasonable and hence, relied upon.

- (f). Consideration of Insurance Cost @ 1% of the capital cost, depreciation @ 13.91% of the capital cost and Management and General Administration cost @ 25% of the operation cost are seen to be in line with the norms prescribed in the tariff guidelines of 2008 and 2015.
- (g). Considering that all the cost elements which are essential for rendering of a service has to be booked to arrive at the cost of a particular service, the approach adopted by CHPT to capture the cost of testing charges of weigh bridge, annual maintenance charges and cost of staff associated with the rendering of service, are seen to be in order.

Return of Investment

- (h). 16% of the Return of Capital Employed is considered as per the stipulation contained at clause 2.6 of the Working guidelines, 2015.
- (v). Based on the various cost components and Return On Capital Employed as discussed above, the annual revenue requirement for the facility as furnished by the CHPT works out to ₹.43,33,214/- per annum. Considering that the actual number of outward railway rakes handled by CHPT during the year 2016-17 is 671 rakes and each rake comprising of 59 wagons, the CHPT has arrived at the average cost of ₹. 109.45/- per wagon for use of Electronic in motion weigh bridge, which has been rounded off by CHPT to ₹. 110/- per wagon. A cost statement in this regard is attached as **Annex**.
- (vi). With regard to proposing of charges for empty wagon at 50% of the charge of loaded wagon i.e. ₹. 55/- per wagon (₹. 110 per loaded wagon x 50%), the CHPT has stated that it has applied the analogy of the Kolkata Port Trust (KOPT) Scale of Rates (SoR), where the minimum charges for weighment in the rail weigh bridge is ₹.200/- per wagon for loaded wagon ₹. 100/- per wagon for empty wagon. It is further stated that weighment of empty wagon is not a routine activity and charge against empty wagon shall be levied only if the same is undertaken as per the Indian Railways requirement. This Authority is inclined to accept the justification given by the CHPT.
- (vii). Considering that the charges for use of Electronic in-motion weigh bridge as proposed by the CHPT at ₹.110/- per wagon is based on the cost involved in the use of the said facility, justification provided with regard to charges of empty wagons at ₹. 55/- per wagon and since the proposed charges has the approval of the Board of Trustees of CHPT and there being no objections from any of the users/ user organisations, this Authority is inclined to approve the rate of ₹.110/- per wagon for loaded wagon and ₹. 55/- per wagon for empty wagon towards the charges for use of Electronic in-motion Railway Bridge at the CHPT.
- (viii). The proposed incorporation of charges of use of Electronic in-motion Weigh Bridge in CHPT is reported to generate an additional revenue to the tune of ₹.43.34 lakhs p.a. to the port during the remaining tariff validity period upto 31 March 2019. During the last general revision of tariff of CHPT in June 2016, there was a revenue gap to the tune of ₹.204.38 crores, which has been left uncovered by the Port, then. Thus, the additional revenue of ₹.43.34 lakhs lakhs arising out of the levy of rates approved, would get subsumed in the revenue gap.
- (ix). Levy of any charges by the Port which are covered by Section 48 of the Major Port Trusts Act, 1963, requires approval of this Authority. From the submissions made

by CHPT, it is noticed that the CHPT has already commissioned the electronic in motion weigh bridge with effect from 18 July 2017 much prior to filing its proposal on 16 March 2018. Thus, the CHPT has sought approval to the proposed incorporation of rates in its Scale of Rates with effect from 18 July 2017 presenting a fait accompli situation to this Authority. It is not unreasonable to expect a port to take advance action for introduction of any new rates instead of presenting fait accompli situation before this Authority. The working guidelines provide for filing of the proposal for notification of rate for use of a new facility or a new service and levy of proposed rates on adhoc manner simultaneously.

- (x). Orders of this Authority generally come into effect prospectively after expiry of 30 days from the date of Gazette Notification unless otherwise different arrangement is specifically mentioned in the respective tariff Orders. In exceptional cases, retrospective effect is given for reasons to be recorded. In the case in reference, there is no objection from the users with regard to retrospective effect from 18 July 2017. In view of this position, this Authority is inclined to grant approval for retrospective levy of charges for use of Electronic in-motion Rail Weigh Bridge with effect from 18 July 2017.

9.1. In the result, and for the reasons given above, and based on a collection application of mind, this Authority accords approval for incorporation of following new para 5.2 under Section - 5 - Miscellaneous Charges in the existing Scale of Rates of CHPT.

“ 5.2 Charges for use of Electronic in-motion Rail Weigh Bridge”

Sl. No.	Description	Unit of levy	Rate (in ₹)
1.	Loaded Wagon	Per Wagon	110.00
2.	Empty Wagon	Per Wagon	55.00

Notes: 1. The above charges include issuance of Weighment Certificate.
2. The Weighment charges against empty wagon shall be levied only if the same is undertaken as per requirement. ”

9.2 The CHPT is advised to suitably incorporate the above provision in its Scale of Rates.

9.3. The said charges are deemed to have come into effect from 18 July 2017 and its validity shall remain co-terminus to the validity of the existing Scale of Rates of CHPT upto 31 March 2019.

(T.S. Balasubramanian)
Member (Finance)

Annex.

**COST STATEMENT FOR FIXATION OF CHARGES FOR USE OF ELECTRONIC
IN-MOTION RAIL WEIGH BRIDGE (EIMRWB) AT CHENNAI PORT TRUST**

Sr. No.	Description	Amount (₹.)
I.	Capital Cost	
(i).	Equipment Cost including GST	1667340
(ii).	Project Management Consultancy @ 9% paid to RITES	150061
	Total Capital Cost	1817401
II.	Operating Cost	
(i).	Power Cost (27 units per day x 365 days x ₹. 9.77 per unit)	96,283
(ii).	Insurance (1% of Capital Cost – ₹. 1817401 x 1%)	18,174
(iii).	Weighbridge Testing Charges (Twice a year - ₹.2.50 lakhs x 2 times)	5,00,000
(iv).	Annual Maintenance Charges (Estimated ₹. 13.46 for six years / 6)	2,24,333
(v).	Employee Cost (1/3 rd Cost of 8 staff posted - ₹. 67,72,894 / 3)	22,57,631
	Sub-total	30,96,421
(vi).	Management & General Overheads @ 25% of Direct Cost (₹.3096421 x 25/100)	7,74,105
(vii).	Depreciation @ 13.91% p.a. on Capital Cost (₹. 1817401 x 13.91%)	2,52,800
	Total Operating Cost	41,23,326
III.	Return on Capital Employed @ 16% (Average written down value for three years – ₹. 1311801 x 16%)	2,09,888
IV.	Revenue Requirement (II + III)	43,33,214
V.	No. of wagons (671 rakes per years x 59 wagons per rake)	39589
Vi.	Weighment Charges per Wagon (IV/ V)	109.45
	Rounded off	₹. 110

**SUMMARY OF THE ARGUMENTS MADE IN THIS CASE DURING THE JOINT HEARING
BEFORE THE AUTHORITY.**

TAMP/21/2018-CHPT	:	Proposal received from the Chennai Port Trust (CHPT) for fixation of charges for use of Electronic In-motion Rail Weighbridge (EIMRWB) inside Chennai Port Trust and incorporation of charges in the existing Scale of Rates (SOR) of CHPT.
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A joint hearing on the case in reference was held on 07 May 2018 at the premises of Chennai Port Trust (CHPT). At the joint hearing, CHPT made a brief power point presentation of the proposal. At the joint hearing, the CHPT and users/ user organisations have made the following submissions:

Chennai Port Trust (CHPT)

- (i). We have our own Railway Terminal. Railways levy punitive charges on users for damages to wagon and tracks due to overloading. Weighment of wagons in the Rail weighbridge would address this problem. It is the long pending demand of the users. We expect that this facility would attract more customers to the port.

Seagreen Stevedoring Limited

- (ii). We have entered one year contract with importer / exporter to handle their cargo. Contract provides for recovery of only haulage charges. Therefore, weighment charges are additional cost to us. It may be clubbed with haulage charges.

[Chairman, CHPT : Haulage charges are payable by all Railway users, whereas weighment charges are payable by the users only who use the weighbridge. Clubbing of weighment charges with haulage charges will burden the users who do not avail the weighbridge facility. The request of the stevedores will be kept in mind. If necessary, it can be examined during the review of general SOR of CHPT applicable for the next tariff cycle beginning from 2019-20.
